

## **BILL ANALYSIS**

S.B. 612  
By: Hall  
Business & Industry  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

The State Office of Risk Management (SORM), established by the legislature in 1997, functions as an insurance agency for the state government with a mission to assist state agencies in protecting agency employees and the state's physical and financial assets by reducing and controlling risk. Subject to review and abolishment under the Texas Sunset Act, the Sunset Advisory Commission found that, while SORM has generally performed well, SORM needs to take a more proactive approach to address several operational problems to maximize its limited resources to better serve and reduce costs. S.B. 612 seeks to continue SORM with several statutory modifications aimed at addressing that issue.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

S.B. 612 amends the Labor Code to postpone from September 1, 2019, to September 1, 2031, the date on which the risk management board governing the State Office of Risk Management (SORM) is abolished unless continued in existence by the Texas Sunset Act.

S.B. 612 requires SORM, in administering the guidelines for the comprehensive risk management program for state agencies, to review the guidelines at least biennially to determine whether they are appropriate and current and to update the guidelines at least every five years to be consistent with up-to-date industry best practices and current law. The bill requires SORM, in updating the guidelines, to solicit feedback from state entities concerning topics for inclusion in the guidelines and ways for making the guidelines more user-friendly. The bill requires SORM to review and update these guidelines not later than September 1, 2020.

S.B. 612 revises the training requirements for members of the risk management board and sets out related provisions. The bill applies the updated training standards to a board member appointed before, on, or after the bill's effective date and requires a board member who, before that effective date, completed the required training program to complete additional training only on the subjects added by the bill to the training program. The bill prohibits such a member from voting, deliberating, or being counted as a member in attendance at a board meeting held on or after December 1, 2019, until the member completes the additional training. The bill changes the date by which each applicable state agency must report certain information to the SORM executive director for each fiscal year from not later than the 60th day before the last day of each

fiscal year to not later than the 60th day after the last day of the fiscal year.

**EFFECTIVE DATE**

September 1, 2019.